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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

IN RE:

THE RHODES COMPANIES, LLC,
Aka "Rhodes Homes", et al.,

Reorganized Debtors.¹

Affects:

- ☒ All Debtors
☐ The following Debtor(s)

Case No. BK-09-14814-LBR
(Jointly Administered)

Chapter 11

**DECLARATION OF JACOB J. ROBERTS
IN SUPPORT OF LITIGATION TRUST'S
RESPONSE TO MOTION TO QUASH
SUBPOENAS**

Status Hearing Date: September 27, 2011
Status Hearing Time: 10:30 a.m.

I, Jacob J. Roberts, counsel for the Litigation Trust of The Rhodes Companies, LLC, et al. (the "Litigation Trust"), under penalty of perjury, hereby declare on this 23rd day of September 2011 that:

¹ The Reorganized Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, if applicable, are: Heritage Land Company, LLC (2918); The Rhodes Companies, LLC (3060); Rhodes Ranch General Partnership (1760); Tick, LP (0707); Glynda, LP (5569); Chalkline, LP (0281); Batcave, LP (6837); Jackknife, LP (6189); Wallboard, LP (1467); Overflow, LP (9349); Rhodes Ranch Golf and Country Club (9730); Tuscany Acquisitions, LLC (90206); Tuscany Acquisitions II, LLC (8693); Tuscany Acquisitions III, LLC (9777); Tuscany Acquisitions IV, LLC (0509); Parcel 20 LLC (5534); Rhodes Design and Development Corp. (1963); C&J Holdings, Inc. (1315); Rhodes Ralty, Inc. (0716); Jarupa LLC (4090); Elkhorn Investments, Inc. (6673); Rhodes Homes Arizona, LLC (7248); Rhodes Arizona Properties, LLC (8738); Tribes Holdings LLC (4347); Six Feathers Holdings, LLC (8451); Elkhorn Partners, A Nevada Limited Partnership (9654); Bravo Inc. (2642); Gung-Ho Concrete, LLC (6966); Geronimo Plumbing, LLC (6897); Apache Framing, LLC (6352); Tuscany Golf Country Clubb, LLC (7132); Pinnacle Grading, LLC (4838).

1 1. I am an associate in the law firm of Diamond McCarthy LLP. I am an attorney
2 licensed to practice in the State of Texas, before the federal district court in the Southern District
3 of Texas, and before the Ninth Circuit Court of Appeals. I have also been admitted to practice,
4 on a *pro hac vice* basis, before this Court and the United States District Court for the District of
5 Nevada.

6 2. I am one of the attorneys serving as special litigation counsel to the Litigation
7 Trust.

8 3. As special litigation counsel to the Litigation Trust, I have personal knowledge of
9 the facts stated herein, except where I state my knowledge on information and belief, and if
10 called to do so, could and would testify competently hereto.

11 4. I provide this declaration in support of the Litigation Trust's Response to the
12 Motion to Quash Subpoenas (the "Response").

13 5. Based on my firm's investigation of the records of the Reorganized Debtors it
14 appears that Debtor funds were used to:

- 15 a. pay Jim Rhodes' personal taxes;
- 16 b. pay Jim Rhodes' personal credit card bills and were transferred to financial
17 institutions for Jim Rhodes' Benefit;
- 18 c. pay for legal and professional services that did not benefit the Debtors; and
- 19 d. obtain real property for the Rhodes Entities, and/or remove encumbrances on
20 real property previously held by the Rhodes Entities.

21 6. It is our understanding that each entity that the Litigation Trust subpoenaed
22 received funds that originated from the Debtors.

23 7. Only one party, Mutual Bank of Omaha, has filed an objection to the Rule 2004
24 subpoenas issued by the Litigation Trust. After that objection was filed I contacted counsel for
25 Mutual Bank of Omaha and was informed that the objection was only filed as a placeholder until
26 a meet and confer could be made. After a brief conversation, all of Mutual Bank of Omaha's
concerns with respect to the Litigation Trust's Rule 2004 subpoena were resolved.

8. In addition, all concerns that have been raised by other subpoenaed entities have been amicably resolved through the meet and confer process.

9. On September 21, 2011 the Litigation Trust sent letters to all of the subpoenaed entities requesting that, in light of the Motion and the hearing set for September 27, 2001, they should not produce any documents before September 29, 2011.

I executed this declaration on September 23, 2011, in Houston, Texas.

/s/ Jacob J. Roberts

Jacob J. Roberts

CERTIFICATE OF SERVICE

I hereby certify that I am employee of the law firm of DIAMOND MCCARTHY LLP, and that on the 23rd day of September 2011, a true and correct copy of the foregoing Declaration of Jacob J. Roberts in Support of Litigation Trust's Response to Motion to Quash Subpoenas was served by the Court's CM/ECF system to:

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26 /s/ Catherine A. Burrow
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